



## Economic and Revenue Forecast Council

**EMBARGOED** until September 14, 2015 3:00 pm PST when it will be released at [www.erfc.wa.gov](http://www.erfc.wa.gov)

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### Revenue forecast updated, much the same as June

OLYMPIA, September 14, 2015 –The General Fund-State (GF-S) revenue forecast has been increased by \$13 million for the 2013-15 biennium and by \$333 million for the 2015-17 biennium.

Overall, our September forecast for Washington State is similar to the June forecast. Washington employment is expected to grow 3.0% this year compared to the 2.6% expected in the June forecast.

Factors outside the state account for the high level of risk to the forecast, as noted by the increased percentage in the pessimistic forecast. A slowing Chinese economy, the negative impact of a stronger dollar on exports, and the volatility in stock markets all remain major threats to the U.S. and Washington economies.

Legislative and budget-driven revenue changes added \$193 million to forecasted revenue in the current biennium. Chief among the legislated changes were a change in the tax rate for income from royalties, elimination of sales tax exemptions for a certain industry, extension of economic nexus for out-of-state wholesalers, and the application of sales taxes to some online sales. Total revenue is now forecasted at \$37.091 billion, 10.2% higher than that of the 2013-15 biennium.

Legislative changes plus the assumed carry-forward of some budget-driven revenue changes added \$286 million to forecasted revenue in the 2017-19 biennium. Changes due to economic factors added \$51.7 million to the forecast, resulting in a total forecast increase of \$338 million. Forecasted GF-S revenue for the 2017-19 biennium is now \$40.538 billion, an increase of 9.3% above the current biennium.

### **Forecast of GF-S Revenue (probabilities in parenthesis): 2015-17**

**Baseline (55%):** \$37.091 billion; \$333 million higher than the previous forecast.

**Optimistic (15%):** \$39.187 billion; \$2,096 million more than the baseline forecast.

**Pessimistic (30%):** \$35.043 billion; \$2048 million less than the baseline forecast.

Please see our full report for more information. You can access this report at:

[http://www.erfc.wa.gov/forecasts/documents/rev20150914\\_color.pdf](http://www.erfc.wa.gov/forecasts/documents/rev20150914_color.pdf)

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#### **About the ERFC:**

**The ERFC was established under RCW 82.33 to provide the Governor and the Legislature with official independent and professional forecasts of the state economy and revenues.**